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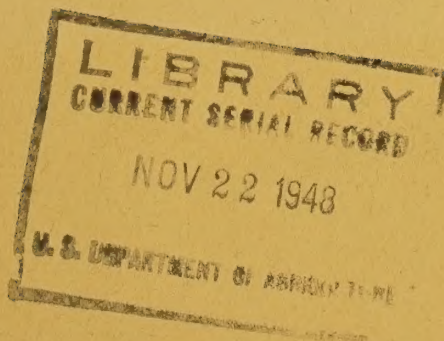
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UNITED STATES DEPARTMENT OF AGRICULTURE  
Federal Crop Insurance Corporation

August 11, 1948

✓ 1948 LOSS ADJUSTMENT MANUAL FOR DRY EDIBLE BEANS  
w (DOLLAR COVERAGE INSURANCE)

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1948 LOSS ADJUSTMENT MANUAL FOR DRY EDIBLE BEANS  
(DOLLAR COVERAGE INSURANCE)

SECTION I - ORGANIZATION

A. General

1. The importance of the loss adjustment phase of crop insurance cannot be over-emphasized. This contact with the insured enables the Corporation to demonstrate how the program works as a means of protection against unavoidable crop failure. Loss adjustment offers the adjuster an excellent opportunity to sell the basic ideas of crop insurance. A thorough explanation of each step in adjusting the loss can result in a better understanding of the contract and avoid misunderstanding which could seriously affect the reaction of the insured to the insurance program in future years.

Adjustment of losses consists of more than simply determining the production, the quality thereof, and the acreage. All decisions made must be consistent with the provisions of the contract and these instructions. In the case of every loss being adjusted consideration should be given to the question of whether or not the loss resulted from an insurable cause.

Even in connection with determining the amount of production, the mere measuring of stored beans, and the examination of evidence of sale do not fully establish the production. These are simply pieces of evidence. They represent a minimum - not necessarily the full production. The contract places upon the insured the responsibility for proving the amount of loss. It is the adjuster's job to determine from all sources available whether the full production has been reported by the insured. In doing so he should give consideration to general crop conditions in the area and to the production of other farmers in the area, the quality thereof, and the available evidence as to the condition of the crop on the insurance unit.

All factors entering into the establishment of the amount of loss shall be carefully and impartially considered. There is no place in the adjustment work for bargaining. The adjuster should make his decisions carefully with all the facts in mind and should not attempt to bargain with the insured but should use tact and good judgment in his dealings with the insured.

Accurate and impartial adjustment of losses is essential. The payment of unjust losses under the contract will be at the future expense of all insured farmers in the county through the effect on premium rates.

2. All persons, other than the State Director, connected with the loss adjustment work shall refrain from making any statement to the insured or his agent either admitting or denying the liability of the Corporation for any claim made by the insured.

B. State Crop Insurance Director

1. The Director is responsible for the supervision and coordination of the adjustment of losses within his area. Where necessary he shall authorize



the appointment of adjusters. He shall assist with adjustments as conditions require. He shall be certain that persons engaged in loss adjustment are adequately trained and are thoroughly familiar with the provisions of the contract and these instructions. He shall arrange for spot checking as provided in special instructions.

2. The Director through the appropriate state office channel, shall furnish each county committee with the names and addresses of his representatives to whom notices of damage or probable loss are to be forwarded.
3. The Director shall make arrangements with local warehouses or elevators to cooperate with the adjusters in making grade and moisture tests of samples of beans.

C. District Supervisor

1. The Supervisor, if any, shall be in charge of the adjustment of losses within his district. He shall make inspections and adjust losses, where necessary, as assigned by the Director. He shall submit progress reports to the Director as required. If problems arise which he cannot handle, they should be called promptly to the Director's attention.
2. When authorized by the Director and as conditions require, the supervisor shall, (1) select and appoint adjusters in order to handle the work promptly and efficiently, (2) adequately instruct and train each adjuster and shall assist in making the first few inspections and adjustments, (3) not permit adjusters to make inspections or adjust losses involving an insured crop in which the adjuster has a financial or family relationship interest. In the interests of the program, the supervisor may find it advisable to limit the activities of the adjuster in certain other cases.

D. Adjusters

1. Adjusters shall be under the immediate supervision of, and directly responsible to, the district supervisor or if there is no district supervisor, to the state director. Any problem which the adjuster cannot handle shall be promptly discussed with the district supervisor or the State Director if there is no supervisor.

The adjuster shall:

- a. Be thoroughly familiar with the provisions of the contract (which includes the regulations), the acreage report included on the application and the applicable procedures;
- b. Prepare from county office records a list or map showing the name and locations of insured producers in his territory, which will enable him to observe conditions of the insured crops when traveling in the territory;
- c. Where necessary, make inspections, appraisals and reports as soon as possible after the insured has reported damage or a probable loss to an insured bean crop;



- d. Assist the insured in preparing the Statement in Proof of Loss form, when requested;
- e. Answer questions raised by the insured and attempt to settle any misunderstandings in connection with the contract;
- f. Make recommendations to the supervisor or State Director concerning improvements in the program;
- g. Prepare Form FCI-26 in accordance with instructions issued by the State Director.

E. County Committee

1. The county committee is responsible for transmitting notices of damage or probable loss to the State Crop Insurance Director or such adjusters as may be designated by the Director.
2. The county committee shall arrange for adjusters to have free access to crop insurance records and related records in the county office and for county office personnel to perform planimetering and computations of acreages in connection with loss adjustment work when so requested by the adjuster.

SECTION II

NOTICE OF DAMAGE OR PROBABLE LOSS AND PREPARATION OF FORM FCI-8

A. General

1. The insured is responsible for notifying the county committee of damage to, or probable loss of, his bean crop. This notice should be given in writing, and placed in the insured's folder for future reference, if needed. However, any manner or form of notice is acceptable provided a satisfactory Form 8 can be and is prepared.
2. The county committee upon receipt of such notice from an insured should prepare Form FCI-8 Rev., "Notice to Corporation of Damage or Probable Loss," (herein called Form 8), in accordance with instructions set forth in subparagraph B below, and also advise the insured that any unharvested acreage of the bean crop should not be put to another use without the written consent of an adjuster. Where the insured plans to plow his bean acreage immediately after harvest he shall be told that the acreage should be left intact, where possible, until the insurance unit has been inspected and the acreage of the bean crop determined by the adjuster.
3. The county committee will notify the State Crop Insurance Director (and any other Corporation representative to be notified) of the report of damage or probable loss.
4. Where the bean crop has been harvested from the insurance unit, and a loss occurs, all production records must be available to the adjuster as well as warehouse receipts, sales records, and inspection certificates. If the insured wishes to make early use of harvested bean acreage this fact should be considered in completing the Form FCI-8 and noted on that form.



5. When a notice of damage is given at the county office personally or by telephone after threshing, inquiry should be made of the insured to determine whether the value (determined on the basis of the price schedule in the Regulations) of the threshed production for the insurance unit equals the product of (1) the reported acreage, and (2) the coverage per acre. Where some acreage has been released the applicable coverage and any applicable appraisal should be used in determining the total coverage and the total production for the planted acreage.

B. Preparation of Form FCI-8 Revised

1. A separate Form 8 shall be prepared for each insurance unit on which damage or probable loss is reported by the insured. It shall be prepared as follows:

a. Heading. Enter in the spaces provided:

- (1) The name of the crop;
- (2) The name and address of the insured which must agree with that shown on the related crop insurance contract;
- (3) The state and county code and contract number;
- (4) The name of the county;
- (5) In the space provided for farm serial number, enter the insurance unit number; i. e., Unit 1, Unit 2, etc., and
- (6) The contract number of other Federal crop insurance contracts (such as with a landlord or tenant) covering the bean crop on the land in the insurance unit.

b. Data for Numbered Items

Item 1. Enter the name of each farm to be inspected and either the location of the farm or the legal description. In addition, enter a notation indicating where the insured may be located and the insured's telephone number if possible.

Item 2. Enter the reported acreage(s) on the insurance unit as shown on the acreage report followed by a dash and the applicable coverage and rate area number.

Item 3. Leave this item blank.

Item 4. Enter the insured's share(s) in the crop as shown on the acreage report.

Item 5. Enter the date upon which the notice of damage or probable loss is received in the county office.

Item 6. Enter (a) the reported cause(s) of damage to the crop and a description of the result of such damage, and (b) the date of damage(s).

Item 7 and Item 8. These entries are self-explanatory.



Item 9. (a) The person receiving the notice shall initial Form 8. The Form shall be signed and dated for the county committee, (b) the insured shall be requested to sign Form 8 in every case where the notice is given in person. Otherwise, a notation shall be entered in this space indicating how the notice was received; i. e., by telephone, (followed by the date of the telephone call), by letter (followed by the postmark date of the letter), by some other person (enter the name of the person giving notice and the date of the notice), etc.

Item 10 and Item 11. These items are self-explanatory.

Item 12. In any case where a part of the farm is "unclassified" as designated on the Crop Insurance Map, Form FCI-33 B, a notation to this effect shall be entered in Item 12. (In Jerome County the coverage and rate area number shall be entered.) Any other remarks deemed advisable should be entered.

## 2. Distribution

Copies of Form 8 shall be distributed as provided in Section VII hereof.

### SECTION III

#### INSPECTION AND PREPARATION OF FORM 863-B

##### A. Inspections

1. The adjuster shall prepare Form FCI-863-B, "Inspection Report," (herein called Form 863) in accordance with paragraph B below, for each farm inspected at the time the inspection is made. An inspection shall be made promptly:
  - a. When a request for a release of acreage is received;
  - b. Where a loss is claimed (except as provided otherwise in Section V) or where it is determined that the insured is eligible for an indemnity;
  - c. In any case where the Corporation determines that an inspection is necessary.
2. Where Form 8 is filed before harvest but does not include a request for a release of acreage and the State Director or the District Supervisor determines that an inspection is not necessary, the insured shall be notified that:
  - a. The notice was received and an inspection is not deemed necessary at that time, including the reason therefor;
  - b. Any later material damage to, or probable loss of, the crop should be reported promptly to the county committee;
  - c. If the insured crop is harvested and a loss occurs, the insured should submit another notice to the county committee within 15 days after threshing is completed. Where the insured plans to plow his bean acreage immediately after harvest he shall be told that the acreage should be left intact, where possible, until the insurance unit has been inspected and the acreage of the bean crop is determined by the adjuster.



The notice to the insured shall be prepared in triplicate and shall include the name and address of the insured, the contract number, and a description of the acreage involved. The original of the notice shall be mailed to the insured, a copy shall be forwarded to the State Director, and a copy filed in the insured's folder.

3. Where a Form 8 includes a request for a release of acreage or where the person taking action on the case determines that an inspection is otherwise necessary, the inspection shall be made promptly. If "Yes" has been entered in Item 11 of Form 8, or if Item 12 indicates that a part of the farm is designated as unclassified on the crop insurance map, and in any other cases where the adjuster feels it necessary, he shall contact the county office before making the inspection. In such cases the adjuster shall:
  - a. Thoroughly familiarize himself with all crop insurance material, including correspondence in the insured's folder which relates to the 1948 crop year, in order that he will be able to answer any questions pertaining thereto and in order that he may handle any problem which arises in connection with the inspection;
  - b. Obtain records or data for the insurance unit which would be helpful to him, such as a sketch of the farm or copies of Forms 863 already prepared;
  - c. From information available in the county office, prepare the heading of Form 863 for each farm involved, as provided in paragraph B, 1, below.
4. It is essential that the adjuster clearly understand what constitutes an "insurance unit," because losses are adjusted on an insurance unit basis. An insurance unit consists of (a) all of the insurable acreage of beans in the county in which the insured has 100 percent interest at the time of planting, or (b) all the insurable acreage of beans in the county owned by one person which is operated by the insured as a share tenant at the time of planting, or (c) all of the insurable acreage of beans in the county which is owned by the insured and is rented to one share tenant at the time of planting. For the purpose of determining the land constituting an insurance unit, cash rented land or land rented for a fixed commodity rent shall be considered as being owned by the lessee. All or any part of such land which is designated on the crop insurance map as "unclassified" shall not constitute an insurance unit or any part thereof.

B. Preparation of Form 863

1. Heading. In the spaces provided;
  - a. Enter the crop year.
  - b. Enter the correct name and address of the insured which should agree with that shown on the related crop insurance contract. If there is any discrepancy it shall be explained in Part III.
  - c. Enter the name of any other person sharing in the crop.



- d. Enter the class of beans insured. In Jerome County, Idaho, a separate inspection report shall be prepared for each class of beans insured. In Huron County, Michigan, Pee and Medium White Beans shall be included on one inspection report.
- e. Enter the state and county code and contract number.
- f. Enter the name and location of the farm on which the inspection is being made.
- g. Enter the coverage and rate area number(s) for the farm.
- h. Enter the share of the insured in the bean crop.

2. Part I. Fields or Tracts Containing Damaged Acreage

Data for each field or tract containing damaged acreage of beans shall be entered in Part I. The Director may require that data for all fields or tracts be entered in Part I in the case of inspections during the growing season. Where there is insufficient space in Part I to record the necessary data, additional Forms 863 shall be prepared and all such forms shall be identified in the heading as provided above, and also marked "Continuation sheet - Page \_\_\_\_\_ of \_\_\_\_\_ pages." All fields or tracts, and the measurements of such fields or tracts, of the bean crop shall be accounted for in the space provided for a sketch map in Part III, unless provided otherwise by the Director.

Column A: Enter the description, location or other identification of each field or tract containing damaged acreage of beans. All fields or tracts of beans on the farm shall be identified on Form 863.

Column B: Enter the estimated total acreage (or the measured acreage) of the bean crop in each such field or tract. In the case of inspections during the growing season, the letter E should be entered and circled immediately following the acreage figure if the acreage is estimated and the letter M if the acreage is measured. The acreages entered at the time the loss is adjusted must be measured acreages.

Column C: Enter the acreage of the bean crop which is released in each such field or tract. This acreage will not include harvested acreage but on the Form 863 prepared when the loss is adjusted it will include all unharvested acreage except that put to another use without the consent of the Corporation. (If no acreage is released enter a "zero.") Estimate this acreage as accurately as possible, except that the acreage shall be accurately determined (1) where all of the insured acreage on the insurance unit is being released or (2) where the boundaries of the acreage being released cannot be definitely determined at a later date. Where the acreage being released is only a part of the acreage in a field or tract and the acreage being released is not accurately determined, the location of the acreage released shall be sketched in the space provided in Part III.

The adjuster shall not release any acreage planted to beans until he determines that:

- (1) The bean crop has been destroyed or substantially destroyed. The crop is not considered to be substantially destroyed unless it has been so badly damaged that farmers generally in the area where the land is located and on whose farms similar damage occurred would not



further care for the crop or harvest any part thereof; (careful consideration should be given to the recuperative power of beans) and;

2. It is too late to replant land to beans in the area. The question of when it is too late to replant shall be resolved by determining if producers generally in the area, particularly uninsured producers, are still planting or replanting. However, if the damaged acreage represents a small area of the county where farmers generally have secured reasonably early and satisfactory stands of beans, the question of when it is too late to replant shall be resolved by determining what the majority of experienced bean growers would do if faced by conditions similar to the conditions on the farm in question. If producers generally are planting or replanting or if it is determined that under similar conditions the majority of experienced growers would replant, the insured shall be advised that unless the acreage is replanted to beans it will not be considered as insured acreage. The insured shall also be advised that no premium will be due and no loss will be payable on any acreage which is not insured acreage.

Where acreage of beans is destroyed or substantially destroyed after it is too late to replant, the adjuster shall release such acreage.

Column D: Enter the applicable number of the stage of production. The stages are as follows:

- 1st Stage - Acreage not pulled or cut.
- 2nd Stage - Acreage pulled or cut but not threshed.
- 3rd Stage - Acreage threshed.

Column E: For each acreage released prior to threshing, enter a per acre appraisal of the estimated yield that would be realized if such acreage were threshed. In releasing acreage the Corporation is relinquishing its opportunity to determine the actual yield. Therefore, care must be taken by the adjuster in making this appraisal and he must assume that favorable growing conditions will prevail until threshing time. The adjuster shall determine whether any of the damage is due to causes not insured against, and if so, the extent of such damage shall be entered in Part III.

The adjuster shall advise the insured that on any acreage where the bean crop has been partially destroyed but not released, proper measures must be taken to protect the crop from further damage and to care for and harvest it. The adjuster shall also advise the insured that if insured bean acreage is put to another use without the consent of the Corporation, that acreage will be subject to a minimum appraisal of production which will result in no indemnity whatever. Minimum appraisals for each county and class of beans insured are shown in paragraph 5 below. (For example the appraisal per acre for acreage in Wayne County put to another use without the consent of the Corporation shall not be less than 3.86 cwt.)

Column F: For each acreage released prior to threshing, enter the production per acre to be counted. This entry shall be the entry in Column E, minus the applicable allowance shown in paragraph 5 below. (For example, the allowance on Pea beans in Huron County released in the first stage is 0.97 cwt per acre.)



Column G: Enter the primary insured cause of damage to the bean crop for each field or tract identified in column A.

Column H: Enter the date of damage to the insured crop in each such field or tract.

Verify the insured's reported share(s) in the bean crop, as indicated on Form 8. If the share(s) reported by the insured at the time of inspection as his share(s) in the bean crop at the time of planting varies from his previous reports, explain such discrepancy in Part III.

### 3. Part II - Threshed Beans

Part II of Form 863 is to be used only in those cases where there is threshed production on the insurance unit and shall include the shares of all persons in the threshed production of the insured bean crop on the insurance unit. Routine completion of this Part shall not be considered adequate to determine the value and quantity of the beans threshed. The reasonableness of the reported quantity and quality of beans threshed as related to the acreage should be considered, and, if necessary, other inquiry or search should be made, particularly if the value appears to be inconsistent with the value of beans produced on other comparable farms in the area. In the case of stored beans, a representative sample must be taken and tests made to determine the defects removed by milling or screening, moisture content, and grade or percent of pick, except that the information regarding quality contained on negotiable warehouse receipts may be accepted.

Item 1. Farm or Warehouse Stored Beans and Beans Sold. The data for each bin of the bean crop stored on the farm which was produced in the 1948 crop year on the insurance unit shall be recorded in item 1. All dimensions listed must be actual measurements and must be expressed in feet and tenths of feet. The measurements must be inside bin measurements. Data for rectangular bins and round bins may be recorded on the same Form 863.

Column I: Enter the bin number of farm stored beans, which shall be assigned by the adjuster if the bin is not already numbered.

If all or any portion of the beans are warehouse stored a cross-reference to the name of the warehouse shown in item 2 must be made.

If all or any portion of the beans are sold a cross-reference to the name of the purchaser shown in item 2 must be made. If more than one grade or pick is applicable to the threshed beans a separate line (e. g., a, b, c, etc.) must be used for each grade or pick.

(Columns J through Q are to be used only for unbagged beans stored on the farm.)

Column J: Enter the length of the bin. If the bin is round, enter the diameter and strike out the words "length or."

Column K: Enter the width of the bin. If the bin is round, no entry shall be made.



Column L: Enter the depth of the beans in the bin. The beans must be level in the bin before the depth can be measured.

Column M: Enter the gross cubic feet of the beans which shall be computed by the following applicable method:

Rectangular bins (inside measurements)

Multiply the length by the width by the depth of the beans.  
(Columns J x K x L)

Round to the nearest tenth of a foot after each computation.

Round bins (inside measurements)

Multiply the square of the diameter by 0.7854 and multiply the result by the depth of the beans. (Columns J x J x 0.7854 x Column L)

Round to the nearest tenth of a foot after each computation.

Column N: Enter the cubic feet of deduction for space occupied by chutes, vents, studs, cross-ties, etc., if any, which have been included in the overall measurements of the beans. In determining this entry, computations shall be in accordance with the instructions set forth under Column M, above, except that outside measurements shall be used.

Column O: Enter the result obtained by subtracting the quantity shown in Column N from the quantity shown in Column M.

Column P: Enter the result (cwt) obtained by multiplying the net cubic feet shown in column O by 0.48. Round to the nearest pound. The conversion factor, 0.48, is based on an assumed test weight of 60 pounds to the bushel. If the insured or the adjuster believes that the actual test weight is more or less than stated, an actual test weight per bushel should be obtained and multiplied by 0.008 in order to determine the correct conversion factor. In such cases the new conversion factor should be substituted for 0.48.

If the insured bean crop produced on the insurance unit is sacked and stored either on or off the farm, the total number of sacks of beans and the average weight of beans per sack (not including the weight of the sack) must be noted in Part III, and the product of these two figures entered in column P.

If the actual test weight is to be determined, representative samples shall be taken from each bin in order to make this determination. These samples shall be properly designated by the adjuster to correspond with the bin numbers. The adjuster shall note in Part III where the tests were made, the actual test weight per bushel and the percent of moisture contained in the beans.

Column Q: Enter the product of (1) column P and (2) the percentage of defects (if any) by weight removed by milling or screening, as determined from a representative sample.

Column R: In the case of farm stored beans enter the result obtained by subtracting the quantity shown in column Q from the quantity shown in column P. In the case of warehouse stored beans or beans sold enter the



weight of the cleaned beans.

Column S: Enter the product of (1) the percentage of moisture contained in the cleaned beans minus 18% and (2) column R. On farm stored beans the percentage of moisture shall be considered to be 18% unless the insured or the adjuster believes the moisture content is higher. If so, a moisture test should be made.

Column T: Enter the result obtained by subtracting the quantity, if any, shown in column S from the quantity shown in column R.

Column U: Enter the applicable grade or percent of pick. (Care should be exercised by the adjuster in obtaining the exact grade or pick of the beans.) (See Section 5 below.) If the quality is so low that a price for valuing production is not shown by pick or grade on the price schedule, the lesser of (1) the lowest price on the Schedule or (2) the market value per cwt. shall be entered. The market value is not necessarily what the insured receives for his beans but should be a fair market value as determined by the adjuster. Where a net market value is used which reflects a moisture content in excess of 18% disregard any previous moisture allowance. If a market value is used in place of the grade or pick an explanation covering the basis of the valuation should be entered in Part III.

Item 2: Enter the name(s) and address(es) of the warehouse(s), or person(s) with which any beans produced on the insurance unit are stored or to whom they have been sold with appropriate cross-reference to item 1, column I.

Item 3: Enter the date upon which the threshing or combining of the beans from the insurance unit was completed. If a part of the crop was either threshed or combined a considerable time in advance of the rest of the crop, the date of the completion of both periods of harvest shall be entered.

Verification of Computations: After all of the entries and computations have been made as provided above, they shall be checked for accuracy and for completeness.

#### 4. Part III - Adjuster's Narrative Report

Part III shall be prepared each time an inspection of the insurance unit is made. The Director shall outline for the adjuster the information which the Director thinks the Corporation will need in the final determination of the loss, if any, and instruct the adjuster to enter in Part III whatever of that information is available.

Also enter in Part III any causes of damage not included in Part I, and the dates thereof. When any damage is due to an uninsured cause, enter a full explanation and set forth the extent of such damage, including the number of acres damaged and the appraised reduction in production per acre due to such damage. A notation describing the condition of all the acreage of the insured crop on the farm which is not accounted for in Part I shall be included in Part III.



Date and Signature: In the spaces provided above Part III, the adjuster shall sign Form 863 and enter the date on which the inspection is made. The signature of the insured should also be obtained unless it is impracticable to do so. Form 863 shall be distributed in accordance with Section VI hereof.

5. Adjuster's Data Table for Each County

In preparing the Statement in Proof of Loss and the Bean Inspection Report the following data should be used:

Wayne County, New York - Red Kidney Beans

Classification : Production to be counted (cwt.- : U.S. Grade or % of pick as shown by Item: not weight) Column (F) on 863-B : Column (U) on 863-B and on 867-B : and column (F) on 867-B : Column (G) on 867-B		
1	Count appraised production in excess of 1.19 cwt. per acre	Use 4% unless pick can be determined from a representative sample.
2	Count appraised production in excess of 0.60 cwt. per acre	Use 4% unless pick can be determined from a representative sample
4	Appraised production but not less than 3.86 cwt. per acre	4%
5	Appraised production but not less than 3.86 cwt. per acre (minus any threshed beans - net weight)	4%
6	Use actual appraisal	Enter pick used to value other beans from that acreage

Elbert County, Colorado - Pinto Beans

Classification : Production to be counted (cwt. -: U.S. Grade or % of pick as shown by Item: not weight) column (F) on 863-B : Column (U) on 863-B and on 867-B : and Column (F) on 867-B : Column (G) on 867-B		
1	Count appraised production in excess of 0.41 cwt. per acre	Use No. 2 unless grade or pick can be determined from a representative sample
2	Count appraised production in excess of 0.27 cwt. per acre	Use No. 2 unless grade or pick can be determined from a representative sample
4	Appraised production but not less than 1.14 cwt.	No. 2



Elbert County, Colorado - Pinto Beans (Cont'd)

- |   |   |  |
|---|---|--|
| 5 | Appraised production but not less than 1.14 cwt. per acre (minus any threshed beans - net weight) | No. 2  |
| 6 | Use actual appraisal  | Enter grade or pick used to value other beans from that acreage. |

Huron County, Michigan - Pea and Medium White Beans

Classification : Production to be counted (cwt. - : U.S. Grade or % of pick as shown by Item: net weight) Column (F) on 863-B : Column (U) on 863-B and on 867-B : and Column (F) on 867-B : Column (G) on 867-B

- |   |   |   |
|---|---|---|
| 1 | Count appraised production in excess of 0.97 cwt. per acre  | Use 4% unless pick can be determined from a representative sample |
| 2 | Count appraised production in excess of 0.42 cwt. per acre  | Use 4% unless pick can be determined from a representative sample |
| 4 | Appraised production but not less than 3.04 cwt. per acre   | 4%  |
| 5 | Appraised production but not less than 3.04 cwt. per acre (minus any threshed beans - net weight) | 4%  |
| 6 | Use actual appraisal  | Enter pick used to value other beans from that acreage            |

Jerome County, Idaho - Great Northern Beans

Classification : Production to be counted (cwt. - : U.S. Grade or % of pick as shown by Item: net weight) Column (F) on 863-B : Column (U) on 863-B and on 867-B : and Column (G) on 867-B : Column (G) on 867-B

- |   |   |   |
|---|---|---|
| 1 | Count appraised production in excess of 2.85 cwt. per acre  | Use No. 2 unless grade or pick can be determined from a representative sample |
| 2 | Count appraised production in excess of 1.22 cwt. per acre  | Use No. 2 unless grade or pick can be determined from a representative sample |
| 4 | Appraised production but not less than 8.47 cwt. per acre   | No. 2   |
| 5 | Appraised production but not less than 8.47 cwt. per acre (minus any threshed beans - net weight) | No. 2   |
| 6 | Use actual appraisal  | Enter grade or pick used to value other beans from that acreage.              |



Jerome County, Idaho - Pinto Beans

Classification : Production to be counted (cwt. - :U.S. Grade or % of pick  
as shown by Item: net weight) Column (F) on 863-B :Column (U) on 863-B and  
on 867-B : and Column (F) on 867-B : Column (G) on 867-B

- |   |   |   |
|---|---|---|
| 1 | Count appraised production in excess of 2.60 cwt. per acre  | Use No. 2 unless grade or pick can be determined from a representative sample |
| 2 | Count appraised production in excess of 1.11 cwt. per acre  | Use No. 2 unless grade or pick can be determined from a representative sample |
| 4 | Appraised production but not less than 7.70 cwt. per acre   | No. 2   |
| 5 | Appraised production but not less than 7.70 cwt. per acre (minus any threshed beans - net weight) | No. 2   |
| 6 | Use actual appraisal  | Enter grade or pick used to value other beans from that acreage               |

Jerome County, Idaho - Small Red Beans

Classification : Production to be counted (cwt. - :U.S. Grade or % of pick  
as shown by Item: net weight) Column (F) on 863-B :Column (U) on 863-B and  
on 867-B : and Column (F) on 867-B : Column (G) on 867-B

- |   |   |   |
|---|---|---|
| 1 | Count appraised production in excess of 2.77 cwt. per acre  | Use No. 2 unless grade or pick can be determined from a representative sample |
| 2 | Count appraised production in excess of 1.19 cwt. per acre  | Use No. 2 unless grade or pick can be determined from a representative sample |
| 4 | Appraised production but not less than 8.21 cwt. per acre   | No. 2   |
| 5 | Appraised production but not less than 8.21 cwt. per acre (minus any threshed beans - net weight) | No. 2   |
| 6 | Use actual appraisal  | Enter grade or pick used to value other beans from that acreage.              |



## SECTION IV. ADJUSTMENT OF CLAIMS

### A. General

#### 1. The insured shall:

- a. Use Form FCI-867-B, "Statement in Proof of Loss" (herein called "Form 867") in submitting a claim for loss;
- b. Submit claim for loss within 60 days after the time of loss. (In case all of the acreage on the insurance unit is released prior to harvest, the time of loss is the date of the damage resulting in the release. In case the threshing is completed for the insurance unit prior to the end of the insurance period the time of loss is the date of completion of threshing. In case threshing is not completed for the insurance unit prior to the end of the insurance period, the end of the insurance period is the time of loss);
- c. Establish that the amount of any loss for which claim is made has been directly caused by one or more of the hazards insured against by the contract during the term thereof, and that the loss has not arisen from or been caused by, either directly or indirectly, any of the hazards not insured against.

#### 2. The adjuster:

- a. Shall not approve a Form 867 until he has (1) inspected all farms included in the insurance unit, (2) determined the acreage planted to beans on the insurance unit, (3) verified to his satisfaction the production of beans and the quality thereof for the insurance unit, and (4) made any necessary appraisals of production per acre.
- b. Shall not approve a Form 867 as long as there is any possibility of threshing any production from the insurance unit at a later date.
- c. Shall follow the instructions in Section V, B and C where the notice of loss is not submitted by the insured within 15 days after threshing is completed or where the Statement in Proof of Loss is not submitted within 60 days after threshing is completed.

### B. Method of Preparing Form 867

1. A separate Form 867 shall be prepared for each insurance unit on which a loss is claimed.

Where the insured fails to establish and maintain separate records of production and the quality thereof for each insurance unit and all the acreage from which production is commingled is insured, the case shall be handled in accordance with subsection D, 4 of this section. Where the insured fails to establish and maintain separate records of production for "unclassified" acreage and for one or more insurance units



or parts thereof, the production from the insured acreage may be considered to have been produced on the insurance unit and the loss adjusted in the usual manner.

In the latter case set forth in the above paragraph, if the adjuster feels that the insurance with respect to the insurance unit should be canceled, he shall attach a statement in triplicate setting forth the facts which he feels justify this action and his recommendation. In such case if the contract is canceled the insured may still be required to pay the premium.

2. The insured and the adjuster certify only to the basic data appearing on Form 867, which include the measured acreages, the insured interest, the production to be counted, the U. S. grade or percent of pick, the price for valuing production only when the market value is applicable, and the causes of damage. Therefore, the adjuster shall complete Form 867 only to the extent provided hereinafter.
3. Where it appears that there will be no loss on the insurance unit or where the insured requests advice as to the approximate amount of indemnity he may expect to receive, the adjuster may perform the necessary computations on a scratch pad, using the following instructions, and advise the insured accordingly. If there is no loss, the adjuster should explain to the insured why there is no loss.
4. In all cases the insured shall be advised that the required computations will be made by the Corporation and that his copy of Form 867 will be mailed to him after the audit is completed.

#### C. Preparation of Form 867 for Usual Cases

1. The instructions set forth in this subsection apply in all cases where (a) the insured has the same share in all the acreage of the insured crop on the insurance unit, (b) there has been no transfer of interest in the insured crop on the insurance unit, and (c) where only one class of insurable beans is grown on an insurance unit. (Pea and medium white beans shall be treated as one class in Huron County.) In all other cases Form 867 shall be prepared in accordance with subsection D of this section. Entries shall be made, where applicable, in all of the spaces where there are solid lines. The spaces where there are dotted lines are provided for computations in the state and branch offices.
2. Form 867 is a Rediform set consisting of an original and three copies, and shall be prepared as follows:

##### a. Heading

- (1) Enter the class of beans insured. In Jerome County, Idaho, a separate Form 867 shall be prepared for each class of beans insured. In Huron County, Michigan, pea and medium white beans shall be included on one Form 867.



(2) Enter the crop year.

(3) Enter the correct name of the insured and his address. The name shall agree with that shown on the contract unless such name is incorrect. However, if the original insured died, etc., after the beans were planted, the name of his legal representative shall be entered. Where the name entered is that of a legal entity (such as a partnership or Corporation) and the contract was not executed in such capacity, a statement of facts, in triplicate, shall be attached.

If the insured has disappeared or refuses to sign the Form 867 and a collateral assignment is outstanding, the name and address of the assignee may be entered in the spaces provided in the heading for the name and address of the insured. The name of the assignee shall be followed by the word "assignee." In such cases a statement of facts, in triplicate, shall be attached.

(4) Enter the state and county code and contract number.

(5) Enter the contract number(s) of other Federal crop insurance contracts on the same land covering the bean crop.

(6) Enter the insurance unit number, which must agree with that shown on the last approved acreage report.

### 3. Boxes

Box A: Enter the reported acreage for the insurance unit as shown on the application or the last approved acreage report if one is submitted.

Box B: Enter the measured acreage planted to beans on the insurance unit (excluding any acreage on which the bean crop is destroyed or substantially destroyed at a time that it could be replanted to beans and such acreage is not replanted). This acreage shall be accurately determined by the adjuster unless acceptable records of measurement are on file in the county office. All possible use shall be made of permanent field acreages established under other agricultural programs and on file in the county office. Measuring equipment shall be checked for accuracy and corrected, where necessary, prior to its use.

Where applicable, the adjuster shall advise the insured of the following:

- (1) If the measured acreage is less than the reported acreage the loss, if any, will be settled on the basis of the measured acreage and the premium adjusted accordingly.
- (2) If the measured acreage exceeds the reported acreage, the loss which would otherwise be determined will be reduced proportionately;



- (3) Where different premium rates are established for parts of the insurance unit, (applicable in Jerome County only), the branch office may reduce the loss on the basis of the ratio of the premium computed for the reported acreage to the premium computed for the measured acreage.

Box C: Enter the coverage and rate area number applicable to the insurance unit as shown on the crop insurance map. Where different premium rates are applicable to parts of an insurance unit, (applicable in Jerome County only) enter above Box C the acreage in each coverage and rate area followed by a dash and the area number. For example: 40-1, and 30-2.

Box D: Enter the insured interest in the bean crop on the insurance unit, which shall be the smaller of (1) the reported interest in the crop as shown on the application or the last approved acreage report, if one is submitted, or (2) the actual interest in the crop at the beginning of harvest or time of loss, whichever occurs first. This entry shall be shown as a percentage, rounded to the nearest tenth of a percent. Where the insured interest entered in Box D is less than the reported interest shown on the application or the last approved acreage report if one is submitted, a statement of facts explaining the discrepancy shall be prepared, in triplicate, dated and signed by the adjuster and attached.

4. Part I. Production, Valuation and Coverage Data for the Insurance Unit

The following important factors shall be kept in mind in preparing Part I:

- (a) All acreage figures shall be shown to the nearest tenth of an acre. All production figures shall be shown to the nearest pound.
- (b) The sum of the entries in column E must equal the measured acreage in Box B.
- (c) The Data Tables shown in Section III, B, 5, shall be used where applicable.

Item 1, Column E: Enter the measured acreage of beans (on the insurance unit) released before pulling or cutting.

Column F: Enter the total appraised production to be counted. This shall be the number of cwt. by which the actual appraisal for the acreage exceeds the product of such acreage and the applicable allowance shown in the Data Table. For example: Assume that in Huron County a Form 863 for the insurance unit shows a 10 acre field of beans released in the first stage of production with an appraisal of 1.50 cwt. per acre. The total appraised production for the 10 acres would be  $10 \times 1.50$  or 15.0 cwt. The total allowance would be 10 (acres)  $\times$  .97 cwt. (from item 1, column F of the Data Table) or 9.70. The total appraised production for the 10 acres exceeds the allowance for that acreage by 5.30 cwt., which is the appraised production to be counted.



In cases where the insurance unit involves two or more released tracts with different per acre appraisals; the total appraised production for all acreage shall be the sum of the total appraisal for all such acreages and the total allowance shall be the sum of the allowances computed for all such acreages. The quantity by which the total appraised production for all such acreages exceeds the total allowance for all such acreages shall be the production to be counted and entered in column B of Form 867.

Column G: Enter the applicable grade or pick as shown in the Data Table.

Item 2, column E: Enter the measured acreage of beans (on the insurance unit) released after being pulled or cut but before being threshed.

Column F: Enter the total appraised production to be counted. This shall be the number of cwt. by which the actual appraisal for the acreage exceeds the product of such acreage and the applicable allowance shown in the Data Table.

Column G: Enter the applicable grade or pick as shown in the Data Table.

Item 3, Column E: Enter the measured acreage of beans (on the insurance unit) from which beans were threshed.

Column F: Enter the actual production of beans threshed. Where sales slips show that more than one grade or pick is applicable to parts of this production or where the grade or pick on parts of the production stored is different the production of each different grade or pick shall be listed on a separate line in item 3, column F.

Column G: Enter the pick or grade applicable to each portion of the production shown in item 3. If in very exceptional cases where the Regulations provide that the market value is applicable, as explained in Section III, B, 3, (for Column U of Form 863), enter the letter M in column G and enter the market value per cwt. in column H.

Item 4, column E: Enter in column E the measured acreage (on the insurance unit) put to other use without the consent of the Corporation.

Column F: Enter the appraised production for such acreage which shall not be less than the product of (1) the acreage in column E and (2) the applicable minimum appraised production per acre shown in the Data Table.

Column G: Enter the applicable grade or pick shown in the Data Table.

Item 5. Column E: Enter in column E (or to the left thereof if the acreage has previously been entered in column E) the measured acreage on which production has been reduced solely because of damage due to causes not insured against.



Column F: Enter the appraised production for such acreage which shall not be less than the product of (1) the acreage in column E and (2) the applicable minimum appraised production per acre shown in the Data Table, minus (3) any threshed beans.

Column G: Enter the applicable grade or pick shown in the Data Table.

Item 6. Column E: Although no entry is required in column E, enter to the left of that column the measured acreage on which the production has been reduced due both to causes insured against and to causes not insured against. Insert to the right of the acreage figure the uninsured cause of damage.

The causes of loss not insured against include the following (but are not limited to)

1. Failure to follow recognized good farming practices, which includes but are not limited to, use of defective or unadapted seed, failure to plant the proper quantity of seed, failure properly to prepare the land for planting or properly to plant, care for or harvest and thresh the bean crop (including unreasonable delay thereof);
2. Following different fertilizer or farming practices than those considered in establishing the coverage;
3. Planting beans on land which is generally not considered capable of producing a crop comparable to that produced on the land considered in establishing the coverage;
4. Planting excessive acreage under abnormal conditions;
5. Planting another crop with the beans or in the growing bean crop;
6. Planting beans under conditions of immediate hazard;
7. Inability to obtain labor, seed, fertilizer, machinery, repairs, or insect poison;
8. Breakdown of machinery, or failure of equipment due to mechanical defects;
9. Neglect or malfeasance of the insured or any other person in his household or employment connected with the farm as tenant or wage hand;
10. Domestic animals or poultry;
11. Theft;
12. Failure to provide adequate casing or properly to adjust the pumping equipment in the event of a lowering of the water level in pump wells when such adjustment can be made without deepening the well;



13. Failure properly to apply irrigation water to beans in proportion to the need of the crop and the amount of water available for all irrigated crops; or
14. Shortage of irrigation water on any farm where the Corporation determines that the total acreage of all irrigated crops on the farm is in excess of that which could be irrigated properly with the facilities available and with the supply of irrigation water which could be reasonably expected.

Column F: Enter the appraisal by which production on the acreage has been reduced due entirely to causes not insured against.

Column G: Enter the grade or pick used to value other beans from that acreage.

5. Item 7: Totals shall be computed and entered in columns E and F.
6. Parts II and III: The adjuster shall not make entries in these parts.
7. Part IV. Causes of Damage Insured Against.

No uninsured cause of damage shall be entered in Part IV. Each insured cause of damage shall be specifically stated, as provided below, and shall be entered on a separate line, unless there are more than three such causes.

Items 14, 15, and 16: Enter the primary (major), secondary, and other contributing insured causes of damage to the bean crop, together with the approximate date each cause of damage occurred and the estimated percent contribution of each such cause to the total loss on the insurance unit due to causes insured against. The entries in the column headed "Estimated Percent Contribution" shall total 100 percent. The various insured causes of damage, which shall be used as a guide for uniformity, are listed below:

Lightning	Hurricane
Drought	Hot Winds (including excessive heat)
Hail	Tornado
Fire	Windstorm
Wild life (animals or birds)	(Plant diseases (which could not be
Flood (overflow or backwater)	(Insects prevented by the
Excessive moisture (rain or seepage)	insured)
Frost, Freeze, or Snow	Shortage of irrigation water

If any part of the loss is due to an act of a person(s), the adjuster shall prepare a statement of facts, in triplicate, setting forth the name of the person(s), if possible, and the amount of loss caused by such person(s). This statement shall be dated and signed by the adjuster and attached to Form 867.



8. Part V. Certification

Item 17: By signing Form 867 the insured agrees to the substitution of the Corporation as his attorney to exercise right of recovery against any person(s) for damage to the bean crop to the extent that payment for loss resulting from such damage is made to the insured by the Corporation. If applicable, the insured shall be advised of this fact and also that he is not to make any settlement with, or execute a release to, such person(s).

Enter in the space provided either "yes" or "no" to the question whether a collateral assignment is outstanding. If a Form FCI-20, "Collateral Assignment," approved by the Corporation, is on file in the county office, "no" shall not be entered until the adjuster determines that the assignee has released the assignment in writing. Where "yes" is entered, and the insured wants the assignee to be paid separately to the extent of the cash amount of the assignment, a statement to this effect, signed by the insured, must accompany the Form 867. If the statement provides for the issuance of a separate check to the insured and a separate check to the assignee for an amount less than that shown on the assignment, it must also be signed by the assignee. If no such statement is attached, a joint check will be issued. In any case where the adjuster feels that difficulties would arise out of the issuance of a joint check he should make a reasonable effort to effect an agreement between the assignor and the assignee as provided above for the issuance of separate checks.

Wherever possible, the adjuster shall review Form 867 and determine that all necessary entries have been made thereon before it is signed by the insured. After the form is signed by the insured, no person, unless so directed by the insured, has authority to change or enter thereon any basic data.

The insured shall sign and enter the date in the spaces provided in Item 17. Before signing, he should be cautioned that his signature must agree with the name in the heading of Form 867, and where applicable, with his signature on the contract. The signature must actually be affixed by the insured (or other eligible claimant) whose name appears in the heading of Form 867, or by his authorized representative.

Item 18: The adjuster shall not approve the Form 867 until all basic data have been entered thereon and until it has been signed by the insured.

If the signature is affixed in a representative capacity, the adjuster must determine that a power of attorney or other acceptable evidence is on file in the courthouse or the county office authorizing the person to sign in the capacity in which he signs. If, after the insured has signed the form, the adjuster can certify to the statements in item 18, he shall sign and date the form in the spaces provided.

Item 19: This item is for the use of the Director.



9. Boxes Designated "For Branch Office Use Only"

The adjuster shall make no entries in these boxes, which will be used by the Corporation in notifying state and county offices of changes in the premium for the contract in each case where the measured acreage shown on Form 867 is less than the reported acreage for the insurance unit, thus eliminating the preparation of "revised" acreage reports by the Corporation.

D. Preparation of Form 867 for Unusual Cases

1. Where the Insured has Different Shares in Parts of the Bean Crop on the Insurance Unit

A separate Form 867 shall be prepared for each acreage of the bean crop on the insurance unit on which the insured has a different share. (For example: If the insured has 75 percent interest in 30 acres of the bean crop and 50 percent interest in 20 acres of the bean crop on the same insurance unit, one Form 867 shall be prepared for the 30 acres and another Form 867 shall be prepared for the 20 acres.) The word "Supplemental" shall be entered immediately above the title on each of these forms. After the "supplemental" forms have been prepared as provided below, the entries thereon shall be summarized and entered on a Form 867 which shall be identified by entering the word "Master" immediately above the title. These "supplemental" forms and the "master" form shall be prepared as follows:

a. "Supplemental" forms

(1) Heading

Complete the heading in the usual manner; (see subsection C of this section).

(2) Boxes

Boxes A and B: Enter the reported acreage and the measured acreage respectively, for the part of the insurance unit covered by the "supplemental" form.

Box C: Complete this box in the usual manner.

Box D: Enter the insured interest in the acreage covered by the "supplemental" form, determined in accordance with the instructions for Box D in subsection C of this section.

(3) Part I

Enter all the data applicable to the acreage covered by the "supplemental" form. These data shall be entered in accordance with the applicable instructions in subsection C of this section.



(4) Part V

Complete items 17 and 18 in the usual manner.

(5) No other entries shall be made on the "supplemental" forms.

b. "Master" Form

(1) Heading

Complete the heading in the usual manner; (see subsection C of this section).

(2) Boxes

Boxes A and B: To obtain the entry for each of these boxes for the "master" form, add the entries appearing on the "supplemental" forms for that box and enter the sum thereof on the "master" form.

Box C: Complete this box in the usual manner.

Box D: Enter the word "Varying."

(3) Part I

To obtain the entry for item 7, column E of the "master" form, add the entries appearing on the "supplemental" forms for item 7, column E and enter the sum thereof on the "master" form.

To obtain the entry for item 7, column F of the "master" form, add the entries appearing on the "supplemental" forms for item 7, column F and enter the sum thereof on the "master" form.

No further entries are necessary in Part I.

(4) Complete the balance of the "master" form in accordance with the instructions in subsection C of this section.

2. Where there has been a Transfer of Interest in the Bean Crop on the Insurance Unit

The Regulations provide that in the event of a transfer of interest, the Corporation shall not be liable for a greater indemnity than would have been paid had the transfer not taken place.

a. Transfer of all or a Part of the Insured Interest in All of the Insured Acreage on the Insurance Unit

Prepare Form 867 in the usual manner, except that the name of the insured and the insured interest (Box D) shall be determined



on the basis of the insured interest of the original insured and the information shown on FCI-21, "Record of Transfer."

b. Transfer of All the Insured Interest in a Part of the Insured Acreage on the Insurance Unit

- (1) If paragraph 1 of this subsection does not apply and only one transfer has been made:
  - (a) Draw a vertical line through the center of columns E, F, and G.
  - (b) To the left of the vertical line enter the data for the entire insurance unit.
  - (c) To the right of the vertical line enter the data for one of the following: (1) if the transferee is submitting the claim, enter the data for the acreage transferred, or (2) if the transferor is submitting the claim, enter the data for the acreage not transferred.
  - (d) Otherwise prepare the Form 867 in the usual manner.
- (2) If paragraph 1 of this subsection does not apply and two or more transfers have been made:
  - (a) Prepare a Form 867 for each individual (transferor and transferee) who has an insured interest under the contract at the time of loss. These forms shall be prepared in the usual manner except that the words "Transfer of Interest - data for a part of the insurance unit," shall be entered above the title.
  - (b) Prepare a Form 867 covering the entire insurance unit. The words "Transfer of Interest - Data for Entire insurance unit" shall be entered above the title of the form. It should be prepared as if no transfer of interest had taken place and should be completed only through Part I.
  - (c) All Forms 867 prepared for the parts of the insurance unit as well as the one prepared for the entire insurance unit shall be submitted together to the Director.

c. Where there is a Transfer of Part of the Insured Interest in a Part of the Insured Acreage on the Insurance Unit, or Where There is One or More Transfers and Paragraph 1 of this subsection Applies to the Original Insured:

- (1) Prepare a Form 867 for:
  - (a) The insured acreage on the insurance unit for each individual transferor or transferee (and, where



applicable, each acreage of the bean crop on the insurance unit on which each individual has a different share).

(b) If more than one Form 867 is prepared for the same insured, a "master" Form 867 shall be prepared consolidating such data in the manner shown in paragraph 1.

(c) The entire insurance unit as if no transfer has taken place.

(2) Prepare these Forms 867 in accordance with the instructions contained in paragraph 3 b (2), above.

3. Where Two or Three Insurable Classes of Beans are Produced on one Insurance Unit (Applicable to Jerome County only since pea and medium white beans will be treated as one class in Huron County)

A separate Form 867 shall be prepared for acreage planted to each class of insurable beans on an insurance unit (or for each part of an insurance unit where either paragraph 1 or 2 of this subsection applies). The word "supplemental" shall be written immediately above the title on each of these forms. After the "supplemental" forms have been prepared as provided below, the entries thereon shall be summarized and entered on a Form 867 which shall be identified by entering the word "master" immediately above the title. These "supplemental" forms and the "master" form shall be prepared as follows:

(a) "Supplemental" Forms

(1) Heading

Complete the heading in the usual manner.

(2) Boxes

Boxes A and B: Enter the reported acreage and the measured acreage respectively for the part of the insurance unit covered by the "supplemental" form.

Boxes C and D: Complete these boxes in the usual manner.

(3) Part I

Enter all the data applicable to the acreage covered by the "supplemental" form. These data shall be entered in accordance with the applicable instructions in subsection C of this schedule.

(4) Part V

Complete items 17 and 18 in the usual manner.

(5) No other entries shall be made on the "supplemental" forms.



(b) "Master" Form

(1) Heading

In the space for Class of Beans insert the names of the insurable classes of beans shown on each "supplemental" form. The balance of the heading shall be completed in the usual manner.

(2) Boxes

Boxes A and B: To obtain the entry for each of these boxes for the "master" form, add the entries appearing on the "supplemental" forms for that box and enter the sum thereof on the "master" form.

Box C: Complete in the usual manner.

Box D: Complete in the usual manner except that the word "varying" should be entered where applicable.

(3) Part I

To obtain the entry for item 7, column E of the "master" form, add the entries appearing on the "supplemental" forms for item 7, column E and enter the sum thereof on the "master" form.

To obtain the entry for item 7, column F of the "master" form, add the entries appearing on the "supplemental" forms for item 7, column F and enter the sum thereof on the "master" form.

No further entries are necessary in Part I.

- (4) Complete the balance of the "master" form in accordance with the instructions in subsection C of this section.

4. Where the Insured Commingles Production from Two or More Insurance Units and Fails to Maintain Separate Records of Production for each Insurance Unit and All the Acreage From Which Production is Commingled is Insured

- (a) Prepare Form(s) 867 for each insurance unit in accordance with subsection C of this section or paragraphs 1, 2, or 3 of this subsection, whichever is applicable, except as follows:

(1) In addition to any identification of the form as required above, enter the words "Part of a combination" immediately above the title on each of these forms.

(2) Enter the word "Commingled" in item 3, column F, on each of these forms, and where applicable, in item 2 in column F.



(b) Prepare a Form 867 consolidating the data for all of the insurance units in accordance with paragraphs 1, 2, or 3 of this subsection, whichever is applicable, except as follows:

- (1) Enter the words "Master - Combination" immediately above the title on this form.
- (2) The insurance unit identification of all units involved shall be entered in the space provided.
- (3) Delete the word "Reported" over box A and insert above the deletion the word "Insured."
- (4) Enter in box A the sum of the insured acreages for all of the insurance units involved. (The insured acreage for each insurance unit is the smaller of the entry in box A or the entry in box B on the form prepared for the insurance unit.)
- (5) Enter in item 2, column F, the appraised production for all of the commingled production which is pulled but not threshed.
- (6) Enter in item 3, column F, all of the commingled threshed production. If more than one grade or pick is applicable show the production for each grade or pick on a separate line.

5. Other Unusual Cases

If a case arises which because of some special circumstance is meritorious but which is not specifically covered by this procedure or if the application of this procedure results in an undue hardship on the insured, the case should be submitted in accordance with General Procedure 4.

F. Cases Where the Insured and Adjuster Cannot Agree

If the insured and the adjuster cannot agree on the settlement of a loss claim the case shall be referred to the Supervisor. If the insured and the Supervisor cannot agree, two Forms 867 shall be prepared, one showing the data submitted by the insured and signed only by him, and the other showing the data determined by the Supervisor and signed only by him. The Supervisor shall submit both forms to the Director in accordance with General Procedure 4. Every effort should be made to handle these cases as promptly and speedily as possible.

G. Transmitting Forms 867 to the Director

The adjuster shall forward daily to the Director all copies of all completed Forms 867. All copies of any statement(s) of facts prepared as provided in this procedure shall be attached to the related Form 867 when it is forwarded to the Director.



SECTION V. CORRECTED OR DELAYED FORMS 867

A. Corrected Forms 867

In cases where a Form 867 has been transmitted to the Director, and it is necessary to make a material change in the data appearing on such form, a corrected Form 867 shall be prepared and submitted to the Director. However, any corrected claim amounting to less than \$5.00 additional indemnity shall not be submitted as such claim will not be approved. The adjuster shall attach a memorandum in triplicate to the corrected Form 867 fully explaining the reason(s) for such correction(s). The corrected Form 867 shall be plainly marked "corrected" in the heading thereof.

It will not be necessary to prepare a corrected Form 867 if the amount of the indemnity originally determined is correct and settlement has been made on a lesser amount and the insured is requesting the additional amount.

B. Delayed Notice of Loss

The Regulations contain a provision requiring the insured to submit a notice of loss to the county office immediately after the completion of threshing if a loss has been sustained. There is further provision in the Regulations that if notice is not given within 15 days after threshing is completed the Corporation reserves the right to reject any claim for indemnity. This provision is essential in order that inspections may be made while the facts can best be determined.

In making each inspection after the time of loss, the adjuster shall determine the time of loss on the insurance unit as set forth in Section III, B (Column H) hereof and compare this date with the date the insured gave notice of the loss at the county office, as shown on Form 8.

1. If this notice was given within 15 days after the time of loss the case shall be handled in the usual manner.
2. If the notice of loss was given more than 15 days after the time of loss but in sufficient time that a Statement in Proof of Loss could be filed within the 60-day period after the time of loss, the insured shall be informed of the requirement of the Regulations set forth above for giving notice within 15 days after the time of loss. The adjuster shall request the insured to submit along with the Statement in Proof of Loss, if one is filed, a statement showing the reasons for the delay in filing a notice of loss at the county office. In these cases, the adjuster shall submit a statement in triplicate showing whether he (a) finds adequate and acceptable evidence of production and the quality thereof, and (b) is able to determine the acreage without question, and (c) is entirely satisfied that all production has been accounted for and that the extent of any uninsurable cause of loss can be properly determined.



3. Where it is evident when the adjuster receives Form 8 that it will not be possible for the insured to submit the Statement in Proof of Loss within the 60-day period after the time of loss, he should act under existing instructions from the State Director in such cases or request instructions from the State Director. Where it is not evident at the time the adjuster receives the Form 8 that it is too late for the insured to file a Statement in Proof of Loss within the 60-day period after the time of loss, but he finds upon inspection that the notice was given too late to permit the inspection to be made and the Statement in Proof of Loss to be filed within this period, the adjuster shall make the inspection, prepare the inspection report and obtain from the insured a written statement as to the reasons for the delay in filing the notice of loss, and submit the case to the State Director for consideration without preparing a Statement in Proof of Loss. However, if the insured insists upon filing a Statement in Proof of Loss in cases of this kind, he should be permitted to do so but he should be informed of the 15-day provision for reporting loss to the county office and the 60-day provision for filing Statements in Proof of Loss, and the adjuster should not sign these Statements in Proof of Loss indicating his approval.

C. Delayed Forms 867

The Regulations provide that the Statement in Proof of Loss shall be submitted not later than 60 days after the time of loss, unless the time for submitting the claim is extended in writing by the Corporation. This 60-day period will not be extended except in the most meritorious cases. Where a Form 867 is submitted more than 60 days after the time of loss as set forth in Section IV hereof, a statement of facts prepared in triplicate and signed by the adjuster shall be attached thereto in order that a determination may be made as to whether the extension is to be granted. This statement is in addition to any statement that may be required under subsection B above and should include:

1. The reason(s) for delay in submitting such form.
2. The portion of the acreage on which evidence that beans were grown thereon remains at the time of the inspection.
3. Method used in determining the actual production, the quality thereof, and per acre appraisals.
4. Whether the adjuster was able to accurately determine the actual acreage.
5. A comparison as to the per acre value of production reported by the insured and that produced for nearby farms.
6. Whether the adjuster is entirely satisfied that all production was accounted for.
7. Whether the adjuster feels certain that he was able to ascertain the extent of any uninsurable cause of loss.
8. Any other facts which the adjuster considers pertinent to the case.



## SECTION VI. SETTLEMENT OF LOSS CLAIMS

The adjuster shall advise the insured that any claim for indemnity submitted in accordance with the Regulations and applicable procedures will be paid by the issuance of a check by the Corporation payable to and mailed to the person(s) entitled to such payment under the Regulations.

## SECTION VII. DISTRIBUTION OF FORMS

A. The following distribution shall be made of the forms used in this procedure:

1. Form 8-Rev.

The State Director's copy shall be forwarded to the Director.

The adjuster's copy shall be forwarded to the other Corporation representative designated by the Director.

The county office copy shall be retained in the county office and filed in a temporary file until the county office copy of Form 863 or a copy of the letter to the insured, advising him that no inspection will be made at that time, is received from the adjuster, after which it shall be filed in the insured's folder.

2. Form 863

The state office copy shall be forwarded to the Director.

The insured's copy shall be given to the insured at the completion of the inspection.

The county office copy shall be filed in the insured's crop insurance folder on file in the county office.

3. Form 867

The adjuster shall forward all copies of Form 867, including the insured's copy, to the Director.

After a review thereof has been made by the Corporation, the insured's copy will be mailed to him, the state office copy will be filed in the related folder, and the county office copy will be forwarded to the county office for filing in the insured's crop insurance folder after any necessary corrections in the premium, as are indicated at the bottom of Form 867, are made on county office records of the insured's premium account.

4. Form FCI-15, "Transmittal Sheet"

Form FCI-15 will be prepared by the Director. The branch office copy shall be forwarded to the branch office together with Forms 867 and attachments. The county office copy shall be forwarded to the county office. The state office copy shall be retained and filed in the state office.



